

COVID-19 EMERGENCY RESOURCES FOR BUSINESSES

Contact Information and Resources

- State of Illinois Coronavirus (COVID-19) Response Page: <https://www2.illinois.gov/sites/coronavirus/Pages/default.aspx>
- City of Chicago COVID-19 Resources: <https://www.chicago.gov/city/en/sites/covid-19/home/resources.html>
- Individuals or companies wishing to donate money, items, or services to address COVID-19 and needs for personal protective equipment can contact the IEMA at PPE.donations@Illinois.gov.
- Contact Information for DCEO Offices
 - Small Business Development Center
 - Provides technical assistance and support for Illinois' small businesses
 - Link: <https://www2.illinois.gov/dceo/SmallBizAssistance/BeginHere/pages/sbdc.aspx>
 - Regional Economic Development
 - Provides technical assistance and outreach to business across Illinois
 - Email: Jonathan.McGee@Illinois.gov
 - Minority Economic Empowerment (OMEE)
 - Promotes opportunities for all minority communities across the state through targeted programs, resources and advocates
 - Email: CEO.OMEE@illinois.gov
- Contact Information for selected State Agencies
 - Illinois Department of Insurance (IDOI)
 - Lead agency for health care and business insurance issues
 - Link: <https://insurance.illinois.gov/>
 - Illinois Emergency Management Agency (IEMA)
 - Lead agency for managing Illinois' emergency response
 - Link: <https://www2.illinois.gov/iema/Pages/default.aspx>
 - Illinois Department of Human Resources (IDHS)
 - Lead agency for SNAP and other emergency assistance to families
 - Link: <http://www.dhs.state.il.us/page.aspx>
 - Illinois Department of Employment Security
 - Lead agency for Unemployment Insurance administration
 - Link: <https://www2.illinois.gov/ides/Pages/default.aspx>

Emergency Resources Available to Businesses and Communities

Grants and Loans

- Small Business Administration (SBA) Economic Injury Disaster Loans
 - The State of Illinois has received its statewide Economic Injury Declaration which means small businesses in all 102 Illinois counties may be eligible for low-interest, economic injury disaster loans up to \$2M per business.
 - [Link to SBA Disaster Loan](#)

- [Frontline Summary](#)
- Illinois Treasurer's Office Small Business COVID-19 Relief Program
 - The state treasurer's office has made \$250 million available in bridge loans to small businesses through participating Illinois banks and credit unions. The financial institutions will determine who is eligible for the loans.
 - [More information is available here](#)
 - [Frontline Summary](#)
- DCEO Hospitality Emergency Grant Program
 - DCEO will be providing grants of up to \$25,000 for bars and restaurants under \$1 million in annual revenue to offset immediate costs related to worker retraining, technology needs and working capital.
 - Hotels that generated less than \$8 million in revenue in 2019 are eligible for grants of up to \$50,000.
 - Applications are closed. Grant recipients, determined by lottery, were notified in early April.
 - [Frontline Summary](#)
- DCEO Downstate Small Business Stabilization Program
 - \$20 million program for small businesses in suburban and rural counties across Illinois, providing grants of up to \$25,000 to small businesses in communities served by DCEO's Office of Community Development.
 - These grants will offer businesses of up to 50 employees the opportunity to partner with their local governments to obtain grants of up to \$25,000 in working capital.
 - The grants will be offered on a rolling basis.
 - [Link to application materials and guidebook](#)
 - [Frontline Summary](#)
- DCEO Illinois Small Businesses Emergency Loan Fund
 - Low-interest loans of up to \$50,000 to support payments of fixed debt, payroll, accounts payable, and other bills that cannot be paid due to the impact of the COVID-19 pandemic.
 - Program is joint venture of DCEO, IDFPR, Accion, and the Illinois banking community. A \$30M loan loss reserve will enable \$60M in loans.
 - Illinois businesses with fewer than 50 employees and less than \$3M in 2019 revenue are eligible to apply.
 - [Apply to Accion here.](#)
 - [Frontline Summary](#)
- City of Chicago Small Business Resiliency Fund
 - \$100M fund supporting low-cost five-year loans for qualifying small businesses.
 - Provides loans of up to \$50,000, depending on revenues before the COVID-19 outbreak.
 - Funds can be used for working capital.

- Chicago small businesses with fewer than 50 employees and gross revenues less than \$3 million in 2019 are eligible.
- [Applications Available Here](#)
- [Frontline Summary](#)
- Economic Development Agency Economic Adjustment Assistance (EAA) Program
 - The CARES Act increased EAA grant funding nationwide by \$1.5B in response to the COVID-19 crisis.
 - The EAA program supports comprehensive regional planning as well as economic development projects (construction and non-construction) that address ongoing economic distress or a sudden and severe dislocation, including disasters or emergencies.
 - State and local governments, higher education institutions, and non-profits working with local governments are eligible to apply.
 - Applications will be accepted on a rolling basis
 - [More information here](#)
 - [Frontline Summary](#)

Technical Assistance, Information & Other Relief

- Illinois Department of Financial and Professional Regulation (IDFPR) Licensing
 - IDFPR is providing relief from professional licensing requirements, including extensions for licenses due March through July and waivers from certain continuing education requirements. [More information available here.](#)
 - IDFPR announced a series of actions to ensure the protection of Illinoisans in many areas of consumer borrowing, servicing, and collections. This includes advice and guidance for consumers struggling with loans and bills, and official guidance to its regulated financial institutions concerning their lending, servicing, and collection activities during the COVID-19 pandemic – in essence encouraging them to provide customers the maximum assistance, flexibility and forbearance possible. Prudent efforts to help consumers and businesses will not be subject to examiner criticism. [More information here.](#)
- Illinois Department of Revenue (IDOR) Taxpayer Information
 - IDOR has provided contact info for taxpayer resources while taxpayer assistance offices and phone lines are shut down. [More information here.](#)
 - Penalties and interest for late payment of sales taxes owed from February through April will be waived for eating and drinking establishments that incurred a sales tax responsibility of less than \$75,000 in CY2019. [More information here.](#)
 - IDOR is automatically extending Sales Tax Exemption (“E”) numbers for all organizations that are currently pending renewal. [More information here.](#)
 - IDOR has provided guidance for handling estimated payments with the income tax filing deadline extended. [More information here.](#)
- Illinois Department of Employment Security (IDES)
 - IDES has assembled FAQs about Unemployment Insurance and the COVID emergency

- IDES has clarified that workers laid off due to COVID qualify for UI as long as they are prepared to return to work.
 - IDES has clarified that workers sent home due to COVID illness or quarantine, or are caring for an affected family member, are also eligible for UI coverage.
 - IDES is waiving the standard 1 week wait to be eligible for UI coverage.
 - [More information here.](#)
 - IDES is waiving late penalties for filing February wage reports after the March 31 due date. [More information here.](#)
- Illinois Department of Commerce and Economic Opportunity (DCEO) Assistance to Workforce Development and Small Business Clients
 - Illinois Worknet works with employers and workers to help mitigate the impact of COVID-19. [More information here.](#)
 - DCEO is encouraging adjustments to the terms of existing Advantage Illinois and FAME loans. These adjustments could include either 3 months of no payments or 6 months of interest-only payments. Under either option, compensatory payments would be tacked on at the end of the loan. Questions about this program can be directed to: CEO.Advantagellinois@Illinois.gov.

Federal Stimulus Information

The Federal Government has enacted legislation to assist state & local governments, businesses, and citizens adapt to the health care and economic challenges posed by the COVID-19 pandemic. As certain elements of these packages are implemented, we will share information on how Illinois residents and businesses can take full advantage of their provisions.

- **HR 6074 -- “Coronavirus Preparedness and Response Supplemental Appropriations Act” (Enacted March 6th)**
 - Provided \$8.3 billion in emergency spending to address the public health emergency
 - Provided funding for the SBA Disaster loans (noted above under Grants and Loans)
 - Press Release and [Summary from House Committee on Appropriations](#)
- **HR 6201 -- “Family First Coronavirus Response Act” (Enacted March 19th)**
 - [Paid Sick Leave and FMLA Expansion –Frontline Summary](#)
 - Extends Family and Medical Leave benefits (including up to 10 weeks of paid leave) to employees of companies with fewer than 500 workers if caring for a child whose school or day care has closed.
 - Provides up to two weeks of paid sick leave in 2020 to employees at companies with fewer than 500 employees. Companies will pay up-front but will receive tax credits to recover the costs.
 - [Unemployment Insurance](#)
 - Provides emergency funding for state unemployment insurance systems, and offers interest-free loans through 2020 to states to cover benefits as needed.
 - Provides \$500 million in extended SNAP benefits, \$400 million in emergency assistance to local food banks, and \$250 million to senior home food aid.

- Requires private health plans to cover costs for COVID-19 testing. Increases FMAP for the duration of COVID and provide laboratory reimbursements for testing for individuals without insurance.
- **HR 748 -- “The Coronavirus Aid, Relief, and Economic Security Act” (Enacted March 27, 2020)**
 - Aid to Businesses and Workers
 - Economic Injury Disaster Loans Advance Grants –[Frontline Summary](#)
 - In addition to the existing EIDL program available now, the CARES Act makes emergency advance grants available up to \$10,000 to provide immediate relief for small business operating costs for entities that apply for an Economic Injury Disaster Loan.
 - Paycheck Protection Program –[Frontline Summary](#)
 - The program is available for small businesses starting April 3rd. Other eligible entities available April 10th.
 - The SBA will provide up to \$349 billion in loans to eligible entities to help small businesses and non-profits maintain their existing workforce and pay for expenses like rent, payroll, mortgage and utilities.
 - Importantly, loans are subject to forgiveness under certain circumstances, such as for employers who retain or rehire laid off employees. The loans are 100% federally guaranteed under a new subsection of Section 7(a) of the Small Business Act.
 - Subsidies for Current Loan Payments –[Frontline Summary](#)
 - The SBA will pay the principal and interest that is owed on certain existing loans for a period of six months.
 - Loan Availability to Large Businesses –[Frontline Summary](#)
 - \$454 billion is available in loans to large and mid-size businesses from the Federal Reserve and loans are made through banks and nonbank companies.
 - More information is forthcoming from the Treasury for how businesses can obtain the funds, but there are restrictions and criteria in place that businesses have to meet in order to obtain funds.
 - Loans to Midsize Businesses and Nonprofits – [Frontline Summary](#)
 - Part of the \$454 billion made available is for loans to businesses and nonprofits with employees between 500 and 10,000.
 - Loans are made through banks and nonbank companies.
 - Tax Changes –[Frontline Summary](#)
 - Employer Retention Credit available March 31st. It provides a refundable payroll tax credit for retaining workers.
 - Opportunity to delay employer share of Social Security taxes for two years.
 - Additional changes such business expense deductions and qualified property improvements.
 - Support for State Programs
 - Appropriations to DCEO programs

- Funding includes additional assistance to LIHEAP, Community Service Block Grants and Community Development Block Grants.
- The State Trade Expansion Program is permitted to allow federal grant funds appropriated in FY18 and FY19 to remain available for use through FY21 for those participants who experienced event cancellations due to COVID.
- Aid to SBDCs, Women’s Business Centers, and Minority Business Centers
 - \$275M to local small business technical assistance programs to aid in expanding training, education, and advising help to small businesses.
- Individual/Worker Support
 - Economic Income Payment – [Frontline Summary](#)
 - Most individuals will receive a payment from the IRS for \$1,200 or \$2,400 for those that file jointly. The amounts will phase down for higher-income workers.
 - To receive the payments, individuals need to have filed a 2019 or 2018 tax return, or receive a Social Security or Railroad Retirement Statement. For those that did not file a return, they are encouraged to file a simple return in order to receive the payment. Information is available on the [IRS’s website](#).
 - Unemployment Insurance
 - Unemployment insurance benefits were expanded to include an additional \$600 a week for up to four months and expands coverage up to 39 weeks of combined federal and state assistance between January 27 and December 31, 2020. The last payment of the extra \$600 will come with checks on July 26th.
 - UI benefits have also been expanded to independent contractors, gig workers, and the self-employed.
 - Federal Student Loan Assistance – [Frontline Summary](#)
 - Federal student loan borrowers may benefit for payment relief until September 30, 2020.
 - Certain federal loan interest rates may be set to 0% and loans will be automatically placed into administrative forbearance.

Grants and Loans

Small Business Administration (SBA) Economic Injury Disaster Loans

SBA link: <https://disasterloan.sba.gov/ela/>

The State of Illinois has received its statewide Economic Injury Declaration which means small businesses in all 102 counties may be eligible for assistance. These low interest loans can provide working capital for small businesses suffering economic injury from loss of revenue due to the COVID-19 crisis.

Resources Available

- Low-interest, economic injury disaster loans up to \$2M per business.
- These loans may be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact.
- The interest rate is 3.75% for small businesses. The interest rate for non-profits is 2.75%.
- The SBA offers loans with long-term repayments to keep payments affordable, up to a maximum of 30 years. Terms are determined on a case-by-case basis, based upon each borrower's ability to repay.

Eligibility

- Generally small businesses and private, nonprofit organizations with no more than 500 employees.

How to Apply

- Businesses can apply to the SBA at this link: <https://covid19relief.sba.gov/#/>
- See link for list of lenders participating in SBA loans: https://www.sba.gov/sites/default/files/articles/Active_Lenders_in_Illinois_March_30_2020.pdf
- For questions, please contact the SBA disaster assistance customer service center at 1-800-659-2955 (TTY: 1-800-877-8339) or email disastercustomerservice@sba.gov.

Illinois State Treasurer Small Business COVID-19 Relief Program

Link: https://illinoistreasurer.gov/Invest_in_Illinois/Small_Business_COVID-19_Relief_Program

The state treasurer's office is making \$250 million available in bridge loans to small businesses through participating Illinois banks and credit unions. The financial institutions will determine who is eligible for the loans.

Resources Available

- \$250 million in deposits available to financial institutions throughout the state, at near-zero rates, to assist Illinois small business and non-profits negatively affected by the COVID-19 pandemic.

- The Treasurer's Office will partner with approved financial institutions to provide loans -- either lower rate loans, or loans to a business or non-profit that would not otherwise qualify -- to Illinois small businesses impacted by the COVID-19 pandemic.

Eligibility

- Eligible Illinois businesses or non-profits must: (1) have been shut down or limited due to COVID-19; (2) have less than \$1 million in liquid assets or \$8 million average annual receipts (per SBA standards); and (3) be headquartered in the state of Illinois or agree to use the funds in Illinois.

Further Information

- Should you have any questions, please contact the Invest In Illinois team at (217) 558-6217 or email investinillinois@illinoistreasurer.gov
- The Treasurer's Office has prepared a list of participating lending institutions [here](#).

DCEO Hospitality Emergency Grant Program

Link: <https://us.accion.org/news/covid-19-hospitality-business-grant-program/>

DCEO will be providing grants of up to \$25,000 for small business bars and restaurants to offset immediate costs related to worker retraining, technology needs and working capital.

Resources Available

- Grants of up to \$25,000 for bars and restaurants and grants up to \$50,000 for hotels
- Bar and restaurants can use the grant to offset immediate costs related to worker retraining, technology needs and working capital.
- Hotels can use the grant for working capital to retain employees.

Eligibility

- Bars and restaurants that generated less than \$1 million in 2019 revenue
- Hotels that generated less than \$8 million in 2019 revenue

How to Apply

- Applications are closed. Grant recipients, determined by lottery, were notified in early April.

DCEO Downstate Small Business Stabilization Program

Link: <https://www2.illinois.gov/dceo/SmallBizAssistance/Pages/EmergencySBAIntiatives.aspx>

This \$20 million program will provide grants to small businesses in suburban and rural communities served by DCEO's Community Development Block Grant program (CDBG). These funds may be used to assist private for-profit small retail and

service businesses, or businesses considered non-essential by the Governor's Executive Order without the ability for employees to work remotely.

Resources Available

- Grants up to \$25,000 to provide working capital funds to a community's businesses economically impacted by the COVID-19 virus.

Eligibility

- Cities, villages, and counties can apply on behalf of small businesses with up to 50 employees who are impacted by the COVID-19 crisis.
- Businesses in Illinois' eight entitlement counties (Cook, DuPage, Kane, Lake, Madison, McHenry, St. Clair, and Will) and 33 entitlement communities are ineligible, as these areas receive the corresponding funding directly from the federal government rather than through the state.

How to Apply

- The grants will be offered on a rolling basis. DCEO intends to make funds available within 30 days of application receipt.
- The program Guidebook and Application materials can be found at: <https://www2.illinois.gov/dceo/CommunityServices/CommunityInfrastructure/Pages/DownstateSmBizStabilization.aspx>

DCEO Illinois Small Businesses Emergency Loan Fund Summary

Link: <https://www2.illinois.gov/dceo/SmallBizAssistance/Pages/IllinoisSmallBusinessEmergencyLoanFund.aspx>

This \$60 million loan fund has been established by DCEO, IDFPR, Accion, and the Illinois banking community. This fund will provide small business loans for working capital and is supported by a \$30 million loan loss reserve.

Resources Available

- Low-interest loans of up to \$50,000, depending on average monthly revenue prior to the COVID-19 crisis, to provide working capital. At least half of the proceeds must go towards payroll and worker compensation.
- Successful applicants will owe nothing for six months and will then begin making fixed payments at a 3% rate for the remainder of a five-year loan term.

Eligibility

- Illinois businesses outside of Chicago with fewer than 50 employees and less than \$3 million in 2019 revenue are eligible to apply.
- Business must have experienced at a 25% or greater decrease in revenues due to COVID-19.

How to Apply

- [Apply to Accion here](#)

- For assistance with additional questions, please email CEO.Support@Illinois.gov.

City of Chicago Small Business Resiliency Fund

The City of Chicago has established a \$100 million Chicago Small Business Resiliency Fund, which will help to provide small businesses with emergency cash flow during this immediate health crisis. Funds will be provided to eligible businesses as low-interest loans.

Resources Available

- Provides low interest loans of up to \$50,000, depending on revenues before the COVID-19 outbreak.
- Loans will be repaid over five years.
- Funds can be used for working capital. At least 50% of proceeds should be applied toward payroll and commitment to retain the workforce at 50% of pre COVID-19 levels.

Eligibility

- Chicago small businesses with fewer than 50 employees and gross revenues less than \$3 million in 2019 are eligible.
- The company must have suffered more than 25% revenue decrease due to COVID-19.

How to Apply

- Loan applications will be administered through the city's Community Development Financial Institution (CDFI) partners.
- [Applications Available Here](#).

Economic Adjustment Assistance (EAA) Coronavirus Funding

Links: <https://www.eda.gov/pdf/about/Economic-Adjustment-Assistance-Program-1-Pager.pdf>
<https://crsreports.congress.gov/product/pdf/IN/IN11303>

The CARES Act passed into law on 03/27/2020 included a \$1.5 Billion appropriation for the Economic Development Administration's (EDA) Economic Adjustment Assistance Program (EAA). This program funds both strategy grants for developing Comprehensive Economic Development Strategy (CEDS) plans and implementation grants for infrastructure projects or other efforts to create jobs and recover from economic distress.

Eligibility

- Eligible applicants under the EAA program can include: regional planning organizations; state, county, or city governments; institutions of higher education; and public or private non-profit organizations.

Desired Projects

- The EAA is EDA's most flexible program. In addition to planning grants and infrastructure projects, EDA can fund market and environmental studies and capitalize or recapitalize revolving loan funds (RLFs) to help provide small businesses with the capital they need to grow.
- All projects must be consistent with at least one of EDA's Investment priorities (Recovery & Resilience, Critical Infrastructure, Workforce Development & Manufacturing, Exports & FDI, Opportunity Zones).
- Short-term projects that address budget short-falls are unlikely to receive funding.

- Long-term projects that stress regional considerations and encourage resiliency will be highly attractive.

How to Apply

- Grants will be competitive, and applications will be accepted on a rolling basis.
- Application information should be available soon. Check the [EDA's Funding Opportunities site](#) for updates.
- Potential applicants can also contact the [local EDA Office](#).

Federal Stimulus Information One-Pagers

Paid Sick Leave and FMLA Expansion

The Families First Coronavirus Response Act requires most companies and nonprofits under 500 employees to provide extended family and medical leave benefits and up to two weeks of paid sick leave to their employees for COVID-19 related reasons. Generally,

- Two weeks of paid sick leave is available to all employees until December 31, 2020. For employees that are unable to work because they are quarantined or experiencing COVID symptoms and seeking medical diagnosis, they should receive their regular rate of pay. For employees who are unable to work because they are caring for an individual subject to quarantine or a child whose school or child care closed, they should receive 2/3 of regular pay.
- Extends Family and Medical Leave benefits, adding up to 10 weeks of paid leave, to employees of companies with fewer than 500 workers if caring for a child whose school or day care has closed. The pay is at two-thirds the employee's regular rate of pay. This FMLA extension is available until December 31, 2020.
- Employers will pay up-front but will receive tax credits to recover the costs. Companies under 50 employees may apply for an exemption to provide leave due to school closings or child care unavailability if it jeopardizes the viability of the business.

Where can I find more information?

- DOL released [temporary rules on April 1st](#) for implementation of the paid leave requirements.
- DOL offers [additional guidance, fact sheets, FAQs, and a webinar on its website for paid leave. Interested individuals and employers should reference this site for guidance.](#)

Paycheck Protection Program

The SBA will provide up to \$349 billion in loans to eligible entities to help small businesses and non-profits maintain their existing workforce and pay for expenses like rent, payroll, mortgage and utilities. Loans are subject to forgiveness under certain circumstances. The loans are 100% federally guaranteed under a new subsection of Section 7(a) of the Small Business Act.

Eligibility Terms:

- Small businesses, 501c3 non-profit, 501c9 veteran's organization, tribal business with less than 500 employees, sole-proprietors, independent contractors and self-employed. Businesses with

more than 1 physical location with no more than 500 employees per location and has a NAICS code beginning with 72(restaurants, hotels, accommodation) may qualify.

- Sole proprietors, independent contractors and eligible self-employed individuals are also eligible.
- Businesses in an industry that has an employee-based size standard through the [SBA, even if they are higher than 500 employees](#).
- Generally businesses must include affiliates when determining its number of employees. The CARES Act waives affiliate rules for certain industries:
 - Restaurant, hotel or others that fall in the NAICS 72 category and have more than one physical location but less than 500 employees per physical location may qualify.
 - Affiliate rules are waived for: those businesses described above that are assigned a NAICS code beginning with 72 ; [a SBA franchise](#); and SBICs.
 - Nonprofits are subject to the [SBA's affiliation standards](#).
 - [Faith-based organizations are exempted from affiliation standards. An FAQ for faith-based organizations is here.](#)
- Applicants have to have been in operation on February 15, 2020 and have paid salaries and payroll taxes or independent contractors.

Use of loan: It's designed to help pay for expenses during the COVID-19 crisis. These loans may be used for payroll costs, which includes continuation of group health care benefits, paid sick, medical, or family leave, (excluding qualified sick and family leave wages for which a credit is allowed through the Families First Coronavirus Response Act) or insurance premiums, salaries or commissions or similar compensation such as retirement; interest on mortgage obligations; rent; utilities, and interest on other outstanding debt.

Loan Terms:

- The applicant must certify the loan is necessary and funds will be used to retain workers, maintain payroll or pay rent, mortgage interest or utility bills. Applicants must also not be receiving any other loan for the same purpose through December 31, 2020.
 - There is no need to show a borrower cannot obtain credit elsewhere, just certify the funding through PPP is necessary.
- For the portion of the loan not forgiven, the balance will have an interest rate of 1%, maturity of two years, first loan payment deferment for six months. No collateral or personal guarantee is required nor is the borrower or lender required to pay any fees to the SBA.
- No collateral or personal guarantee is required, unlike traditional SBA 7(a) loans. The SBA has no recourse against any borrower for non-payment of the loan, except where the borrower has used the loan proceeds for a non-allowable purpose.

Loan Forgiveness: PPP loans are eligible for loan forgiveness equal to the amount spent on payroll costs, mortgage, rent, utilities (forgivable covered costs) incurred or paid during the eight-week period following the first disbursement of a PPP loan to borrower. The lender must make the first disbursement of the loan no later than ten calendar days from the date of the loan approval.

- Payroll costs are further defined as compensation (salary, wage, commission, or similar compensation, payment of cash tip or equivalent); payment for vacation, parental, family, medical, or sick leave; allowance for dismissal or separation; group health care benefits, including insurance premiums; retirement benefit; state or local tax payroll taxes.

- Employee compensation over \$100,000, employee compensation outside the U.S., and FMLA that receives a credit under the Families First Coronavirus Response Act are not considered for payroll costs.
- Forgiveness is eligible for those employers that retain or rehire laid off employees between February 15 – June 30, 2020.
- Loan forgiveness amount is reduced if employee's wages are reduced or number of employees reduced. Again, the forgivable covered costs for loan forgiveness are payroll, mortgage, rent, and utility costs.
- No more than 25% of the forgiven amount may be for non-payroll costs.

When can I apply?

- Starting April 3, 2020, small businesses and sole proprietorships can apply for and receive loans to cover their payroll and other expenses.
- Starting April 10, 2020 independent contractors and self-employed individuals can apply for and receive loans to cover their payroll and other expenses.

How do I apply?

Borrowers may file applications directly with a registered SBA lender or federal insured depository institution, federally insured credit union, and Farm Credit System that is participating. The U.S. Treasury [released the application](#) on March 31, 2020.

You can call your local bank or find SBA-approved lenders in your area through SBA's [Find a Lender tool](#). You can also refer to this list of [active lenders in Illinois](#). Your local [Small Business Development Center](#) or [Women's Business Center](#) can also provide assistance and guide you to lenders.

Where can I find more information?

- The SBA has set up a call center for lenders having issues related to PPP. The number is 833-572-0502.
- The SBA and U.S. Treasury [released the interim final rules](#) on April 2nd, which includes guidance for the program.
- The U.S. Treasury and SBA websites both have valuable information for borrowers and lenders. The information includes the interim final rules, an FAQ, application, one-pagers and more. These websites will be the resource as more information becomes available from the SBA and Treasury on the PPP. **Continue to check back as additional details and clarity are released often.**
 - U.S. Treasury's [Assistance for Small Businesses page](#)

[SBA COVID-19 response page](#)

Economic Injury Disaster Loans (EIDL) – Advance Grants

In addition to the existing EIDL program available now, the CARES Act makes emergency advance grants available up to \$10,000 to provide immediate relief for small business operating costs for entities that apply for an Economic Injury Disaster Loan.

Existing Program: EIDLs are lower interest loans of up to \$2 million, with principal and interest deferment available for up to 4 years, that are available to pay for expenses that could have been met

had the disaster not occurred, including payroll and other operating expenses. The CARES Act authorized advances of up to \$10,000 of an EIDL.

Funding Uses: The funds can be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact.

Eligibility Terms:

- Small businesses under 500, tribal businesses, cooperatives under 500 employees, any individual who operates under sole proprietorship or as an independent contractor; self-employed; employee stock ownership plan; tribal small business concern; small business, private nonprofits. Entities must have been in operation since January 31, 2020.
 - Businesses not sure of size can visit the [SBA's size standards](#) to find out.
 - Private nonprofit organizations are not defined for purposes of EIDL loans, but elsewhere in the Act "nonprofit organization" is defined as a 501c3. It's not clear whether other types of nonprofits are eligible, such as trade associations.
 - Faith-based organizations are eligible. [More information is available from the SBA.](#)

Loans Terms:

- Loans can be made from January 31, 2020 until December 31, 2020. The CARES Act backdates the EIDL program to allow for businesses that applied for EIDL's before the advance grant was available to be eligible for the advance grant.
- Applicants DO NOT need to repay the advance if they are denied a loan.
- Requirements to prove a personal guaranty and for applicants to demonstrate they are unable to obtain credit from other sources are waived.
- Applicants may receive grant advances within three days of submitting an application.

When to apply? The SBA now has the Advance in place.

How to apply: Applicants apply directly to the SBA. Interested borrowers can start the application process at the [SBA's website](#). The SBA notes that those who applied prior to the launch of this program on March 31st, 2020 will have to reapply through the streamlined application to be eligible for the advance. Those businesses should receive notification that is the case via email, phone, and mail to advise them of that requirement.

How it works with the Paycheck Protection Program (PPP):

- For the EIDL that opened last week, applicants of the PPP loans can refinance those EIDL into PPP loan for loan forgiveness purposes on loans made between January 31, 2020 and the date on which loans are made available under the CARES Act.
- Applicants may receive this advance while applying for a PPP loan. If the applicant receives the PPP loan, the amount of the advance will be subtracted from the loan forgiveness amount for payroll costs.
- **Important Detail:** EIDL's and loans made through the PPP cannot be used for the same purpose such as payroll.

Where to find more information? The [SBA COVID-19 response website](#) continues to be updated as more information becomes available. See Economic Injury Disaster Loans and Loan Advance.

- If a business wants to know the status of a loan, have them call the Customer Service Center at 800.659.2955 to learn about their specific situation.

Loan Payments Covered for Existing SBA Loans

The SBA will automatically pay the principal, fees, and interest that is owed on existing and future loans not in deferment for a period of six months. Interest will continue to accrue on the loans.

If your loan is in deferment, the SBA will cover your payments beginning with the next payment due after deferment.

- Future loan holders must have a loan issued prior to September 27, 2020.

Who is eligible?

- Current and future SBA 7(a), 504, and microloan loan holders. Future loan holders must have a loan issued prior to September 27, 2020.

Where can I get more information?

- The [SBA COVID-19 response website](#) continues to be updated as more information becomes available. See SBA Debt Relief.

Aid to Large Businesses

Federal Reserve Loan Facilities Available to Large Businesses

The U.S. Treasury and Federal Reserve announced the Federal Reserve will begin purchasing up to \$750 billion in corporate loans and bonds from large businesses through its Primary and Secondary Market Corporate Credit Facilities.

Who is eligible?

Interested participants must be a U.S. business, organized under state or federal law, and have significant operations and a majority of their employees in the U.S. Interested participants must also have at least [an investment grade](#) rating on March 22nd.

How will this work?

Funding from the U.S. Treasury allows the Federal Reserve to create a program, called a facility, to make loans to investment grade corporations and buy corporate bonds to help companies function through the COVID-19 crisis. The Federal Reserve will finance a special purpose vehicle (SPV) – called the Primary Market Corporate Credit Facility and the Secondary Market Corporate Credit Facility - to extend loans and purchase bonds from these facilities to companies.

The Federal Reserve Bank of New York (NYFed) will commit to lend to the SPV's on a recourse basis, which is a type of loan that can help a lender recoup its investment if a borrower fails to pay the liability and the value of the asset is not enough to cover it.

Based on existing SPV's through the NYFed, it is expected the NYFed will issue additional guidance and a registration process for interested participants prior to the launch of the SPV. More information should be forthcoming.

The loans and bonds will have a maturity of up to 4 years. The program will cease on September 30, 2020, unless it is extended by the Federal Reserve.

What are the known conditions and restrictions?

Businesses must be created or organized in the U.S. or under the laws of the U.S. with significant operations in and majority of its employees based in the U.S. and an investment grade as of March 22, 2020. Additional criteria is explained in the term sheets from the Federal Reserve linked in the *More Information Section*.

Where can I get more information?

Interested entities should reference the [term sheets listed at the bottom of the page](#) for Term Asset-Backed Securities Loan Facility, Primary Market Corporate Credit Facility and Secondary Market Corporate Credit Facility. More guidance should become available soon.

CARES Act Funding to Large Businesses

It is still expected that the U.S. Treasury and Federal Reserve will issue additional funding to provide loans, loan guarantees, and other investments to businesses, states, and municipalities impacted by COVID-19 with funding provided by the CARES Act. These loans will not be forgiven.

The U.S. Treasury and Federal Reserve have broad latitude to develop these programs, such as setting additional terms for eligible borrowers and required collateral. There are restrictions and criteria in place on businesses as enacted by the CARES Act.

Where to direct businesses: More information will become available from the U.S. Treasury and Federal Reserve to better direct businesses. The timing is unknown.

The loans would be made available through the Federal Reserve and, based on examples of previous and existing 13(3) facilities, interested businesses would likely apply directly through a Federal Reserve Bank.

How it Works: The bill invokes Federal 13(3) funding, which is an emergency loan program through the Federal Reserve in order to make funding available to bank and nonbank companies. It is similar to how funding was distributed during the 2008 financial crisis to the banks, except the Dodd-Frank Act instituted more restrictions on who can receive funding, i.e. funding is no longer available to aid “failing financial companies.”

As described above for the Primary and Secondary Market Capital Facilities, the program would likely work similarly. Under the CARES Act, the Federal Reserve and the Treasury are directed to establish 13(3) programs available to larger businesses for them to acquire loans, loan guarantees, or other investments.

The CARE Act sets forth additional criteria and restrictions for companies seeking this funding, as mentioned above. The Treasury and Federal Reserve will set additional criteria, but an Inspector General and Congress will have oversight on who gets the funds and how they are distributed.

Criteria to receive lending as required by the CARES Act:

- A borrower must certify that it is a U.S.-domiciled business and its employees are predominantly located in the U.S.;

- Alternative financing is not reasonably available to the business;
- Borrowers and their affiliates cannot engage in stock buybacks, unless contractually obligated, or pay dividends until the loan is no longer outstanding or one year after the date of the loan;
- Borrowers must, until September 30, 2020, maintain its employment levels as of March 24, 2020, to the extent practicable, and retain no less than 90 percent of its employees as of that date;
- Sets limits on employee compensation that no employee whose total compensation (salary, bonuses, awards of stock and other benefits) exceeds \$425,000 in 2019 (other than an employee whose compensation is set through a collective bargaining agreement). This provision applied for two years;
- More criteria can be established by the Treasury and Federal Reserve.

Loan Terms as required by the CARES Act:

- The loan is sufficiently secured or made at an interest rate that reflects the risk of the loan and, if possible, not less than an interest rate based on market conditions for comparable obligations before the coronavirus outbreak;
- The duration of the loan shall be as short as possible and shall not exceed 5 years;
- The loan cannot be forgiven.

Oversight of Funds for Businesses Receiving Funding under Section 4003

The CARES Act requires oversight of these loan funds by an Inspector General and special Congressional Oversight Committee. The IG will collect information on the loans to ensure all loan funds have been properly distributed and issue quarterly reports. The Congressional Committee is required to issue reports every 30 days.

It is not clear if businesses will be required to provide any information for oversight, but the information for the loans is public information unless prevented from disclosure for other reasons. It is also not clear if Treasury or the Federal Reserve would publicly disclose loan recipients online.

Aid to Midsize Businesses and Nonprofits

Over \$500 billion was provided to the U.S. Treasury to provide loans, loan guarantees, and other investments to businesses, states, and municipalities impacted by COVID-19 via the CARES Act. The bill requires a special program through the U.S. Treasury and Federal Reserve specifically targeted at midsize businesses and nonprofits between 500-10,000 employees. On April 9th, the Federal Reserve created the Main Street Lending Programs for this purpose. **These loans will not be forgiven.**

Where to direct businesses: The Federal Reserve [issued term sheets](#) (located at the bottom of the page) for the Main Street Programs on April 9th. While the program is still being finalized, interested businesses can review those specifics for more information.

The loans will be made available to eligible lenders, which the Fed defines as U.S. insured depository institutions, U.S. bank holding companies and U.S. savings and loan holding companies. Interested borrowers should reach out to their bank for more information as it becomes available.

How it Works: The CARES Act invokes Federal 13(3) funding, which is an emergency loan program through the Federal Reserve in order to make funding available to bank and nonbank companies in times of economic downturn. The Federal Reserve acts as a lender of last resort. It is similar to how

funding was distributed during the 2008 financial crisis to the banks, except the Dodd-Frank Act instituted more restrictions on who can receive funding, i.e. funding is no longer available to aid “failing financial companies.”

For the purposes of the CARES Act, the Federal Reserve and the Treasury are directed to establish 13(3) facilities for midsize businesses and nonprofits for them to acquire loans, loan guarantees, or other investments. The U.S. Treasury provides capital to the Federal Reserve to create 13(3) loan facilities, which then provide additional liquidity in the market. The loan facilities then provide financing to eligible lenders. Eligible borrowers apply through eligible lenders for loans.

On April 9th, the Fed began that process by making capital available to purchase up to \$600 billion through the Main Street Lending Programs. There are two facilities established, the Main Street New Loan Facility and the Main Street Expanded Loan Facility. While program terms ([here](#) and [here](#)) were released by the Federal Reserve on April 9th, the U.S. Treasury and Federal Reserve are still finalizing the program and more information will become available. They will [accept additional comments](#) until April 16th. It is not clear if funding will become available by April 16th.

The Treasury and Federal Reserve will set additional criteria, and an Inspector General and Congress will have oversight on who received the funds and how they were distributed.

Eligibility Terms:

- Midsize business or nonprofits between 500 and 10,000 employees or with revenues up to \$2.5 billion.
- Created or organized in the U.S. or under the laws of the U.S. with significant operations in and majority of its employees based in the U.S.
- Lending through a 13(3) facility established by the Federal Reserve must be broad-based, with verification that each participant is solvent and is unable to obtain adequate financing elsewhere.

Loan Terms:

- Loans are 4-year loans.
- The CARES Act requires that interest rates cannot exceed 2% per year, but the Fed has
- Principal or interest deferred for one year.
- Loans can be between \$1 million and \$150 million and are determined depending on the situation of the applicant.
 - For loans made through the Main Street New Loan facility, the maximum loan size can't exceed the lesser of \$25 million or an amount that, when added to the Eligible Borrower's existing outstanding and committed but undrawn debt, does not exceed four times the Eligible Borrower's 2019 earnings before interest, taxes, depreciation, and amortization.
 - For loans through the Main Street Expanded New Loan Facility, maximum loan size that is the lesser of (i) \$150 million, (ii) 30% of the Eligible Borrower's existing outstanding and committed but undrawn bank debt, or (iii) an amount that, when added to the Eligible Borrower's existing outstanding and committed but undrawn debt, does not exceed six times the Eligible Borrower's 2019 earnings before interest, taxes, depreciation, and amortization.

- Treasury can issue a waiver for any program or facility, but must testify to Congressional Committees regarding reasons for the waiver.
- No loans will be forgiven.

Restrictions on Loan Borrowers: The U.S. Treasury and Federal Reserve have broad latitude to develop these programs, such as setting additional terms for eligible borrowers and required collateral. There are restrictions and criteria in place on businesses as enacted by the CARES Act.

Borrowers must commit from using the proceeds of these loans to repay other loan balances and must refrain from repaying other debt of equal or lower priority, with the exception of mandatory principal payments. Borrowers must also attest that financing is required due to COVID-19 and that the proceeds will reasonably allow borrowers to maintain payroll and retain employees during the term of the loan.

Via the CARES Act, eligible borrowers applying for direct loans under this program will be required to certify that:

- has not otherwise received adequate economic relief in the form of loans or loan guarantees provided by the CARE Act;
- the uncertainty of economic conditions makes the loan request necessary to support ongoing operations;
- Borrowers must, until September 30, 2020, maintain its employment levels as of March 24, 2020, to the extent practicable, and retain no less than 90 percent of its employees as of that date through September 30, 2020;
- Will not pay dividends or stock buybacks while the loan is outstanding, except for pre-existing obligations;
- Will not outsource or offshore jobs for the term of the loan plus an additional two years;
- Must be a U.S.-domiciled business and its employees are predominantly located in the U.S
- Is not in bankruptcy;
- Will not repeal collective bargaining agreements for term of loan, plus 2 years; and
- Will remain neutral in any union organizing effort for the term of the loan.
- Cannot repurchase an equity security that is listed on a national securities exchange of the business or parent company while the loan is outstanding.
- Sets limits on employee compensation that no employee whose total compensation (salary, bonuses, awards of stock and other benefits) exceeds \$425,000 in 2019 (other than an employee whose compensation is set through a collective bargaining agreement). This provision applied for two years.
 - No retirement or severance packages can exceed twice the maximum total compensation during 2019. Further, no officer or employee whose total compensation exceeded \$3,000,000 in 2019 may receive in excess of \$3,000,000 and 50 percent of the excess over \$3,000,000 of the total compensation received in 2019.
- Additional loan criteria and obligations are made per loan by the U.S. Treasury.
- The terms of these provisions expires March 1, 2022.

Federal 13(3) Funds: Requirements under Section 13(3) of the Federal Reserve Act, including requirements to loan collateralization, taxpayer protection and borrower solvency shall apply to these programs.

Oversight of Funds for Businesses Receiving Funding under Section 4003

The CARES Act requires oversight of these loan funds by an Inspector General and special Congressional Oversight Committee. The IG will collect information on the loans to ensure all loan funds have been properly distributed and issue quarterly reports. The Congressional Committee is required to issue reports every 30 days.

It is not clear if businesses will be required to provide any information for oversight, but the information for the loans is public information unless prevented from disclosure for other reasons. It is also not clear if Treasury or the Federal Reserve would publicly disclose loan recipients online.

Tax Benefits

More information for businesses

Interested businesses should consult a tax expert or reference the [IRS for updated guidance](#). The IRS website will be updated as more information becomes available.

Employee Retention Credit

[The U.S. Treasury and IRS launched the Employee Retention Credit on March 31, 2020](#). Eligible entities can receive a refundable payroll tax credit for 50% of up to \$10,000 in qualified wages for retaining idled workers on their payrolls during the COVID pandemic.

Qualified wages are based on the average number of a business's employees in 2019. If the employer had more than 100 employees on average in 2019, then the credit is allowed only for wages paid to employees who did not work during the calendar quarter. For eligible employers with under 100 employees, all employee wages qualify for the credit. The credit is capped at the first \$10,000 of compensation, including health benefits. The provision is effective for wages paid or incurred from March 12, 2020 to January 1, 2021.

Who is eligible?

Employers regardless of size and tax-exempt organizations under 501(c) of the IRS, whose operations were fully or partially suspended due to a government shut-down order or gross receipts declined by more than 50% compared to the same quarter the previous year.

Small businesses who take a Paycheck Protection Program loan are not eligible for this tax credit.

How do I receive the credit?

[See FAQ from the U.S. Treasury](#) under "I am an eligible employer. How do I receive my credit?"

Interested businesses should continue to reference the [IRS for updated guidance](#).

Delay Payment of Employer Payroll Taxes

All employers and self-employed individuals may defer the 6.2% employer share of Social Security taxes for two years.

Additional Tax Changes

- **Business Expense Deduction Changes:** Business Expense Deduction Limits are increased from 30% to 50% for 2019 and 2020.
- **Retail Tax:** Retailers, restaurateurs and hotels will be able to immediately deduct qualified property improvements and amend previous year filings.

- **Relaxes Net Operating Loss Limits:** Businesses will be allowed to carry net operating losses arising in the 2018, 2019, and 2020 tax years back five years. The taxable income limit is temporarily removed to allow a NOL to fully offset income for those years.
- **Alternative Minimum Tax:** Corporations are able to accelerate their ability to recover the AMT credits from previous years and claim any resulting refund.

Economic Impact Payment for Individuals

Economic Impact Payment for Individuals

Who is eligible?

Most individuals are eligible for a \$1,200 (\$2,400 joint filers) in direct payment from the federal government. \$500 will be available per dependent.

The amounts phase down for higher-income taxpayers. Individuals with incomes up to \$75,000 (\$150,000 married joint filers) will receive the full amount. The rebate will decrease for incomes over \$75,000 (\$150,000 married joint filers) and phased out for incomes over \$99,000 (\$198,000 joint).

How will individuals receive the payments?

An individual's 2019 or 2018 tax returns will be used to determine checks. Social Security and Railroad Retirement recipients who did not file an income tax return will receive the credit based on information on their 2019 Social Security or Railroad Retirement Benefit Statement.

Otherwise eligible individuals who did not file a 2019 or 2018 income tax return and did not receive a 2019 SS or RR benefit statement would generally not receive the benefit in 2020 unless they submit a simple form to the IRS, described below.

How can I access this payment if I didn't file taxes?

In order to receive the benefit in 2020, these individuals would need to submit a simple form to the IRS to receive the economic impact payment. The IRS launched [an online tool to help non-filers](#) receive an economic impact payment.

Individuals that should use the online tool are those that did not file a 2018 or 2019 federal income tax return because their gross income was under \$12,200 (\$24,400 joint). This includes people who had no income, or those that weren't required to file a 2018 or 2019 federal income tax return for other reasons.

Alternatively, they could file and claim this benefit on their 2020 tax return next year.

Where can I get more information?

The IRS has issued an FAQ and some guidance on the economic impact payments and directions for individuals on how to receive the payment. [The FAQ is here](#). More information will continue to become available at the [IRS's website](#).

Federal Student Loan Assistance

If you have a federal student loan, you may benefit for payment relief until September 30, 2020.

Who is eligible?

- Borrowers with the following federal student loans: defaulted and nondefaulted Direct Loans, defaulted and nondefaulted FFEL Program Loans, and Federal Perkins Loans.
 - Some FFEL Program loans are owned by commercial lenders, and some Perkins Loans are owned by the institution the borrower attended. These loans are not eligible for this benefit at this time.
 - Borrowers should ultimately contact their [loan servicer](#) to make sure their loan is eligible for these benefits. For borrowers that do not know their servicer, they can visit studentaid.gov/login or call at 1.800.433.3243; TTY 1.800.730.8913.

What's the benefit?

- Interest rates will be set to 0% for certain federal loans from March 13, 2020 to September 30, 2020. Interested borrowers should contact their student loan servicer to determine if their loans are eligible.
 - Payments made during the 0% interest period will be applied to principal once all the interest that accrued prior to March 13th is paid.
- Loans will automatically be placed into administrative forbearance, allowing borrowers to temporarily stop making monthly loan payments from March 13, 2020 to September 30, 2020.
 - Borrowers can continue to make payments if they choose, or partial payments. Automatic payments will be suspended, borrowers will need to opt-out if they want to continue making auto payments by contacting their loan servicer.
 - Borrowers can get a refund if they made a payment during this time, they would need to contact their loan servicer.
 - Loan servicers will contact borrowers when payments need to be made again. Borrowers should make sure their contact info is up-to-date with their loan servicer.

Where can I get more information?

The Federal Student Aid Office through the U.S. Department of Education has more information on eligible loans, an FAQ, and any action necessary by interested borrowers. [Those interested should reference the FSA's website.](#)